

# ASK THE TIC

## HELPFUL HINTS ON EXPORTING TO AFRICA

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*Exporting to Africa has been attracting a large amount of attention in recent years as more and more companies begin to look to emerging markets as new destinations for their products. The following is meant to be a guide to Africa-specific resources for companies interested in exporting to Africa.*



### WHY AFRICA?

The 48 countries of sub-Saharan Africa offer a new market for U.S. goods and services. In many instances these markets are large and relatively untapped by U.S. exporters and thus provide new opportunities for business transactions in a new part of the world. In addition, 38 countries in sub-Saharan Africa have joined the World Trade Organization (WTO) and have implemented new policies designed to encourage trade and foreign direct investment. In addition, passage of the African Growth and Opportunity Act in 2000 has raised awareness of Africa as a new trading partner for many U.S. companies.



### WHAT IS THE AFRICAN GROWTH AND OPPORTUNITY ACT?

The African Growth and Opportunity Act (AGOA), signed into law in 2000, provides reforming African countries with the most liberal access to the U.S. market available to any country or region with which the United States does not have a Free Trade Agreement. It supports U.S. business by encouraging reform of Africa's economic and commercial regimes that will build stronger markets and more effective partners for U.S. firms.

The U.S. Government has designated 35 African countries to receive these benefits. These countries receive a lower import duty on an approved list of products entering the United States. To see a list of the currently approved recipient countries as well as a list of approved products, see the International Trade Administration's AGOA website, located at [www.agoa.gov](http://www.agoa.gov). In addition to information on the agreement and eligible countries and products, this site also contains links to the AGOA Implementation Guide and a number of Africa-specific business websites.



### WHAT IS THE VOLUME OF TRADE BETWEEN THE U.S. AND SUB-SAHARAN AFRICA?

Despite recent attention to Africa as a new market for U.S. products and services, the volume of U.S.-Africa

trade remains low compared to other regions of the world. For example, U.S. exports to Canada in 2000 were \$176 billion, to sub-Saharan Africa they were just \$6 billion. Within sub-Saharan Africa, the largest volume of U.S. exports goes to South Africa and Nigeria, mostly within the sectors of machinery, computers, aircraft and tobacco.

Finding trade statistics for Africa can sometimes be slightly more difficult than obtaining up-to-date information on regions like Europe or Asia. However, there are several websites that keep current trade statistics on African countries. The Census Bureau's Foreign Trade Division, located at [www.census.gov](http://www.census.gov), maintains foreign trade statistics on both imports and exports. The Department of Commerce's export portal, <http://export.gov>, contains a link to this and other sources of trade statistics. The Dataweb service of the U.S. International Trade Commission, located at [www.usitc.gov](http://www.usitc.gov) also provides both import and export statistics for either individual African countries or a group of countries that the user personally selects. In addition, the Trade Information Center posts the U.S.-Africa Trade Profile quarterly. This report is compiled by the International Trade Administration's Office of Africa and can be viewed on the Trade Information Center's website <http://tradeinfo.doc.gov>. This report contains details on U.S. exports and imports to all 48 sub-Saharan African countries for the current period as well as the previous two years.



### HOW CAN I OBTAIN TARIFF AND TAX INFORMATION FOR PRODUCTS GOING TO AFRICA?

Tariff and tax information can be difficult to obtain for many African countries. Due to fewer government resources in many of these countries, tariff schedules are often not published or widely distributed. One of the most accessible resources is South Africa's tariff schedule, which can be accessed online at [www.rapidhttp.com/tariff/index.html](http://www.rapidhttp.com/tariff/index.html). These rates also apply to Botswana, Namibia, Lesotho and Swaziland, due to the Southern African Customs Union in place between these five countries. The Trade Information Center also maintains rates for many African countries.

When researching tariff rates for any region, it is important to first have the Harmonized System Number (HS) or Schedule B number that corresponds to your product in order to obtain the exact rate. HS numbers can be

obtained from the Census Bureau at [www.census.gov/foreign-trade/www](http://www.census.gov/foreign-trade/www) or by calling (301) 457-1084 during business hours.



### WHAT OTHER AFRICA-SPECIFIC RESOURCES ARE AVAILABLE TO EXPORTERS?

To learn more about specific markets in Africa, there are several useful resources available online. The Africa Business Daily, located at [www.africabusinessdaily.com](http://www.africabusinessdaily.com) contains links to business briefs on African markets as well as a number of links to other African news sources.

The Africa News Service, located at [www.allafrica.com](http://www.allafrica.com), contains daily news links on security, environment, political and business issues.

If you are planning to travel to Africa, it is also a good idea to check the U.S. State Department's travel advisories for each country. These can be found at [www.state.gov](http://www.state.gov) in the Travel Warning section.

The U.S. and Foreign Commercial Service can also assist companies conducting market research and locating agents or distributors for products and services in African markets. To access these services, contact one of the Department of Commerce's 80 Export Assistance Centers. Find the office nearest you at [www.usatrade.gov](http://www.usatrade.gov).

Many companies are also interested in connecting with African companies to find a specific product or service. The U.S. Global Technology Network (GTN) connects U.S. and African companies to encourage business linkages in the Agricultural Technology, Communications & Information Technology, Environment & Energy Technology and Health Technology sectors. Companies that subscribe to the service are screened and regularly provided with trade leads and information pertinent to their sector. With offices in Washington and eleven countries in Africa, GTN serves hundreds of companies worldwide and assists in the facilitation of commercial relationships between U.S. and African businesses of all sizes.

Another important resource for U.S. companies operating in Africa is the Corporate Council on Africa (CCA), a membership organization of more than 170 companies doing business throughout the continent of Africa. CCA hosts trade missions, sponsors events where companies can meet African government officials, and organizes conferences focusing on particular sectors, regions, and countries. CCA's website is [www.africacncl.org](http://www.africacncl.org).



### WHAT ARE THE MOST IMPORTANT THINGS EXPORTERS SHOULD BE AWARE OF WHEN EXPORTING TO AFRICA?

Because trade regulations and standards vary widely among African countries, it is important to remember the following tips when exporting your product to new markets in Africa. Since it is often difficult to find and understand all of the import regulations that apply to each country, it is particularly important to find a freight forwarder or shipper who has some experience shipping into that country or region. A list of freight forwarders in the U.S. can be found at [www.forwarders.com](http://www.forwarders.com), or consult your local yellow pages. To get an idea of the types of import regulations and customs procedures that apply to each country, call the Trade Information Center.

As with any new customer, it is important to arrange payment and shipping methods before shipping your product. In recent years there have been a number of fraudulent business proposals coming from West Africa. Many U.S. companies have been approached by individuals often asking for assistance in getting large sums of money out of the country. Some of these proposals have also taken the form of requests for large amounts of products or services. If you are concerned about the legitimacy of one of these proposals, there are several precautions that U.S. companies and individuals can take. Both the Trade Information Center ([www.tradeinfo.doc.gov](http://www.tradeinfo.doc.gov)) and the U.S. Secret Service ([www.ustreas.gov/usss](http://www.ustreas.gov/usss)) have information posted on their websites to raise awareness among the business community about these types of fraud.

If you are interested in doing a background investigation on an African company, you can contact your local Export Assistance Center and request an International Company Profile. To find the Export Assistance Center closest to you, contact the Trade Information Center, refer to the back cover of this magazine or refer to the U.S. and Foreign Commercial Service's website, located at [www.usatrade.gov](http://www.usatrade.gov). Cost for an International Company Profile varies by country ■

The Trade Information Center (TIC) is operated by the International Trade Administration of the U.S. Department of Commerce for the 20 federal agencies comprising the Trade Promotion Coordinating Committee. These agencies are responsible for managing the U.S. Government's export promotion programs and activities. You, too, can "Ask the TIC" by calling 1-800-USA-TRAD(E) toll free, Monday through Friday, 8:30-5:30. Or visit the TIC's website at <http://tradeinfo.doc.gov>.